

SENATE BILL No. 201

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-2-3.7.

Synopsis: Federal employee pension tax deduction. Provides a 100% income tax deduction for federal civil service annuity income received by an individual or the individual's surviving spouse. Eliminates the age requirement for deducting federal civil service annuity income.

Effective: January 1, 2015.

Skinner

January 9, 2014, read first time and referred to Committee on Pensions and Labor.



Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

SENATE BILL No. 201

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3-2-3.7 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 3.7. Each taxable
3 year, an individual **or the individual's surviving spouse who receives**
4 **income from a federal civil service annuity** is entitled to an adjusted
5 gross income tax deduction equal to ~~the remainder of:~~
6 (1) ~~the first two thousand dollars (\$2,000) which is received by~~
7 ~~the individual during the taxable year from a federal civil service~~
8 ~~annuity, and which is included in adjusted gross income under~~
9 ~~Section 62 of the Internal Revenue Code; minus~~
10 (2) ~~the total amount of social security benefits and railroad~~
11 ~~retirement benefits received by the individual during the taxable~~
12 ~~year.~~
13 However, the individual is only entitled to the deduction provided by
14 this section if the individual is at least sixty-two (62) years of age
15 before the end of the taxable year: **one hundred percent (100%) of**
16 **the federal civil service annuity received during the taxable year**



1 **and included in adjusted gross income under Section 62 of the**
2 **Internal Revenue Code.**

3 SECTION 2. [EFFECTIVE JANUARY 1, 2015] (a) **IC 6-3-2-3.7,**
4 **as amended by this act, applies to taxable years beginning after**
5 **December 31, 2014.**

6 **(b) This SECTION expires July 1, 2018.**

